



**STATE OF ARIZONA**  
**Department of Health Services**  
**NOTICE OF REQUEST FOR PROPOSAL**

**ARIZONA DEPARTMENT  
OF HEALTH SERVICES**  
1740 West Adams Street  
Phoenix, Arizona 85007  
(602) 542-1040  
(602) 542-1741 Fax

**SOLICITATION NUMBER:**

**HP951244**

**SOLICITATION DUE DATE/TIME:**

**May 26, 2009 at 3:00 P.M. Local Time**

**SUBMITTAL LOCATION:**

**Arizona Department of Health Services  
Office of Procurement  
1740 West Adams Street, Room 303  
Phoenix, Arizona 85007**

**DESCRIPTION:**

**Hosting of AzVRS – Vital Records**

**PRE-OFFER CONFERENCE:**

**May 1, 2009**

**9:00 A.M.**

**ADHS, 150 N. 18<sup>th</sup> Avenue,  
Conference Room 540  
Phoenix, AZ 85007**

**Local Time**

**Date**

**Time**

**Location**

In accordance with A.R.S. § 41-2534, competitive sealed proposals for the services specified will be received by the Arizona Department of Health Services (ADHS) at the above specified location, until the time and date cited. Offers received by the correct time and date will be opened and the name of each Offeror will be publicly read. To obtain a copy or review the solicitation, go to [www.azdhs.gov](http://www.azdhs.gov) and click on the Quick Links Procurement site. Please check periodically for any updates to the above solicitation. It is the responsibility of the supplier/offeror to routinely check the ADHS web site for Solicitation Amendments.

Offers must be in the actual possession of the ADHS on or prior to the time and date, and at the location indicated above. Late Offers will not be considered.

Offers must be submitted in a sealed envelope or package with the solicitation number and the Offeror's name and address clearly indicated on the envelope or package. All Offers must be completed in ink or typewritten. Additional instructions for preparing an Offer are included in this solicitation.

With seventy-two (72) hours prior notice, persons with disabilities may request special accommodations such as interpreters, alternative formats, or assistance with physical accessibility. Such requests are to be addressed to the Solicitation contact person named below.

**OFFERORS ARE STRONGLY ENCOURAGED TO CAREFULLY READ THE ENTIRE SOLICITATION**

**Solicitation Contact Person:**

Richard Szawara; Procurement Consultant

Arizona Department of Health Services

Office #: (602)944-1381; Cell #: (480)203-6866

E-mail: [szawarr@azdhs.gov](mailto:szawarr@azdhs.gov)

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

**A. Definition of Terms.** As used in these Instructions, the terms listed below are defined as follows:

1. *"Attachment"* means any item the Solicitation requires an Offeror to submit as part of the Offer.
2. *"Contract"* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. *"Contract Amendment"* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. *"Contractor"* means any person who has a Contract with the State.
5. *"Days"* means calendar days unless otherwise specified.
6. *"Exhibit"* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. *"Offer"* means Offer, proposal or quotation.
8. *"Offeror"* means a vendor who responds to a Solicitation.
9. *"Procurement Officer"* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. *"Solicitation"* means an Invitation for Offers ("RFP"), a Request for Proposals ("RFP"), or a Request for Quotations ("RFQ").
11. *"Solicitation Amendment"* means a written document that is signed by the Procurement Officer and issued for the purpose of making changes to the Solicitation.
12. *"Subcontract"* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
13. *"State"* means the State of Arizona and Department or Agency of the State that executes the Contract.

**B. Inquiries**

1. **Duty to Examine.** It is the responsibility of each Offeror to examine the entire Solicitation, seek clarification in writing (inquiries), and examine its' Offer for

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

accuracy before submitting the Offer. Lack of care in preparing an Offer shall not be grounds for modifying or withdrawing the Offer after the Offer due date and time, nor shall it give rise to any Contract claim.

2. **Solicitation Contact Person.** Any inquiry related to a Solicitation, including any requests for or inquiries regarding standards referenced in the Solicitation shall be directed solely to the Solicitation contact person. The Offeror shall not contact or direct inquiries concerning this Solicitation to any other State employee unless the Solicitation specifically identifies a person other than the Solicitation contact person as a contact.
3. **Submission of Inquiries.** The Procurement Officer or the person identified in the Solicitation as the contact for inquiries except at the Pre-Offer Conference, require that an inquiry be submitted in writing. Any inquiry related to a Solicitation shall refer to the appropriate Solicitation number, page and paragraph. Do not place the Solicitation number on the outside of the envelope containing that inquiry, since it may then be identified as an Offer and not be opened until after the Offer due date and time. The State shall consider the relevancy of the inquiry but is not required to respond in writing.
4. **Timeliness.** Any inquiry or exception to the solicitation shall be submitted as soon as possible and should be submitted at least seven days before the Offer due date and time for review and determination by the State. Failure to do so may result in the inquiry not being considered for a Solicitation Amendment.
5. **No Right to Rely on Verbal Responses.** An Offeror shall not rely on verbal responses to inquiries. A verbal reply to an inquiry does not constitute a modification of the solicitation.
6. **Solicitation Amendments.** The Solicitation shall only be modified by a Solicitation Amendment.
7. **Pre-Offer Conference.** If a pre-Offer conference has been scheduled under this Solicitation, the date, time and location shall appear on the Solicitation cover sheet or elsewhere in the Solicitation. Offerors should raise any questions about the Solicitation or the procurement at that time. An Offeror may not rely on any verbal responses to questions at the conference. Material issues raised at the conference that result in changes to the Solicitation shall be answered solely through a written Solicitation Amendment.
8. **Persons With Disabilities.** Persons with a disability may request a reasonable accommodation, such as a sign language interpreter, by contacting the Solicitation contact person. Requests shall be made as early as possible to allow time to arrange the accommodation.

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

**C. Offer Preparation**

1. Forms: No Facsimile, Telegraphic or Electronic Mail Offers. An Offer shall be submitted either on the forms provided in this Solicitation or their substantial equivalent. Any substitute document for the forms provided in this Solicitation must be legible and contain the same information requested on the forms, unless the solicitation indicates otherwise. A facsimile, telegraphic, mailgram or electronic mail Offer shall be rejected if submitted in response to requests for proposals or invitations for Offers.
2. Typed or Ink; Corrections. The Offer shall be typed or in ink. Erasures, interlineations or other modifications in the Offer shall be initialed in ink by the person signing the Offer. Modifications shall not be permitted after Offers have been opened except as otherwise provided under applicable law.
3. Evidence of Intent to be Bound. The Offer and Acceptance form within the Solicitation shall be submitted with the Offer and shall include a signature (or acknowledgement for electronic submissions, when authorized) by a person authorized to sign the Offer. The signature shall signify the Offeror's intent to be bound by the Offer and the terms of the Solicitation and that the information provided is true, accurate and complete. Failure to submit verifiable evidence of an intent to be bound, such as an original signature, shall result in rejection of the Offer.
4. Exceptions to Terms and Conditions.
  - 4.1 All exceptions included with the Offer shall be submitted in a clearly identified separate section of the Offer in which the Offeror clearly identifies the specific paragraphs of the Solicitation where the exceptions occur. Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement. The Offeror's preprinted or standard terms will not be considered by the State as a part of any resulting Contract.
  - 4.2 Invitation for Offers. An Offer that takes exception to a material requirement of any part of the Solicitation, including terms and conditions, shall be rejected.
  - 4.3 Request for Proposals. All exceptions that are contained in the Offer may negatively affect the State's proposal evaluation based on the evaluation criteria stated in the Solicitation or result in rejection of the Offer. An Offer that takes exception to any material requirement of the solicitation may be rejected.
5. Subcontracts. Offeror shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities in the Offer.
6. Cost of Offer Preparation. The State will not reimburse any Offeror the cost of responding to a Solicitation.

**UNIFORM INSTRUCTIONS TO OFFERORS**  
**SOLICITATION NO: HP951244**

7. Solicitation Amendments. Each Solicitation Amendment shall be signed with an original signature by the person signing the Offer, and shall be submitted no later than the Offer due date and time. Failure to return a signed copy of a Solicitation Amendment may result in rejection of the Offer.
8. Federal Excise Tax. The State of Arizona is exempt from certain Federal Excise Tax on manufactured goods. Exemption Certificates will be provided by the State.
9. Provision of Tax Identification Numbers. Offerors are required to provide their Arizona Transaction Privilege Tax Number and/or Federal Tax Identification number in the space provided on the Offer and Acceptance Form.
10. Employee Identification. Offeror agrees to provide an employee identification number or social security number to the ADHS for the purposes of reporting to appropriate taxing authorities, monies paid by the ADHS under this contract. If the federal identifier of the Offeror is a social security number, this number is being requested solely for tax reporting purposes and will be shared only with appropriate state and federal officials.  
This submission is mandatory under 26 U.S.C. § 6041A.
11. Identification of Taxes in Offer. The State of Arizona is subject to all applicable state and local transaction privilege taxes. All applicable taxes shall be included in the pricing Offered in the solicitation. At all times, payment of taxes and the determination of applicable taxes are the sole responsibility of the contractor.
12. Disclosure. If the firm, business or person submitting this Offer has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any Federal, state or local government, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall fully explain the circumstances relating to the preclusion or proposed preclusion in the Offer. The Offeror shall include a letter with its Offer setting forth the name and address of the governmental unit, the effective date of this suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances including the details enumerated above shall be provided.
13. Solicitation Order of Precedence. In the event of a conflict in the provisions of this Solicitation, the following shall prevail in the order set forth below:
  - 13.1 Special Terms and Conditions;
  - 13.2 Uniform Terms and Conditions;
  - 13.3 Statement or Scope of Work;
  - 13.4 Specifications;

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

- 13.5 Attachments;
  - 13.6 Exhibits;
  - 13.7 Special Instructions to Offerors;
  - 13.8 Uniform Instructions to Offerors; and
  - 13.9 Other documents referenced or included in the Solicitation.
14. Delivery. Unless stated otherwise in the Solicitation, all prices shall be F.O.B. Destination and shall include all freight, delivery and unloading at the destination(s).

**D. Submission of Offer**

- 1. Sealed Envelope or Package. Each Offer shall be submitted to the submittal location identified in this Solicitation. Offers should be submitted in a sealed envelope or container. The envelope or container should be clearly identified with name of the Offeror and Solicitation number. The State may open envelopes or containers to identify contents if the envelope or container is not clearly identified.
- 2. Offer Amendment or Withdrawal. An Offer may not be amended or withdrawn after the Offer due date and time except as otherwise provided under applicable law.
- 3. Public Record. All Offers submitted and opened are public records and must be retained by the State. Offers shall be open to public inspection after Contract award, except for such Offers deemed to be confidential by the State. If an Offeror believes that information in its Offer should remain confidential, it shall indicate as confidential the specific information and submit a statement with its Offer detailing the reasons that the information should not be disclosed. Such reasons shall include the specific harm or prejudice which may arise. The State shall determine whether the identified information is confidential pursuant to the Arizona Procurement Code.
- 4. Non-collusion, Employment, and Services. By signing the Offer and Acceptance Form or other official contract form, the Offeror certifies that:
  - 4.1 The Offeror did not engage in collusion or other anti-competitive practices in connection with the preparation or submission of its Offer; and
  - 4.2 The Offeror does not discriminate against any employee or applicant for employment or person to whom it provides services because of race, color, religion, sex, national origin, or disability, and that it complies with all applicable Federal, state and local laws and executive orders regarding employment.

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

**E. Evaluation**

1. Unit Price Prevails. In the case of discrepancy between the unit price or rate and the extension of that unit price or rate, the unit price or rate shall govern.
2. Prompt Payment Discount. Prompt payment discounts of thirty (30) days or more set forth in an Offer shall be deducted from the Offer for the purposes of evaluating that price.
3. Late Offers. An Offer submitted after the exact Offer due date and time shall be rejected.
4. Disqualification. An Offeror (including each of its principals) who is currently debarred, suspended or otherwise lawfully prohibited from any public procurement activity shall have its Offer rejected.
5. Offer Acceptance Period. An Offeror submitting an Offer under this Solicitation shall hold its Offer open for the number of days from the Offer due date that is stated in the Solicitation. If the Solicitation does not specifically state a number of days for Offer acceptance, the number of days shall be one hundred-twenty (120). If a Best and Final Offer is requested pursuant to a Request for Proposals, an Offeror shall hold its Offer open for one hundred-twenty (120) days from the Best and Final Offer due date.
6. Waiver and Rejection Rights. Notwithstanding any other provision of the Solicitation, the State reserves the right to:
  - 6.1 Waive any minor informality;
  - 6.2 Reject any and all Offers or portions thereof; or
  - 6.3 Cancel the Solicitation.

**F. Award**

1. Number or Types of Awards. The State reserves the right to make multiple awards or to award a Contract by individual line items or alternatives, by group of line items or alternatives, or to make an aggregate award, or regional awards, whichever is most advantageous to the State. If the Procurement Officer determines that an aggregate award to one Offeror is not in the State's best interest, "all or none" Offers shall be rejected.
2. Contract Inception. An Offer does not constitute a Contract nor does it confer any rights on the Offeror to the award of a Contract. A Contract is not created until the Offer is accepted in writing by the Procurement Officer's signature on the Offer and Acceptance Form. A notice of award or of the intent to award shall not constitute acceptance of the Offer.

<p style="text-align: center;"><b>UNIFORM INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION NO: HP951244</b></p>
---

3. Effective Date. The effective date of this Contract shall be the date that the Procurement Officer signs the Offer and Acceptance form or other official contract form, unless another date is specifically stated in the Contract.

**G. Protests**

A protest shall comply with and be resolved according to Arizona Revised Statutes Title 41, Chapter 23, Article 9 and rules adopted thereunder. Protests shall be in writing and be filed with both the Procurement Officer of the purchasing agency and with the State Procurement Administrator. A protest of a Solicitation shall be received by the Procurement Officer before the Offer due date. A protest of a proposed award or of an award shall be filed within ten (10) days after the protester knows or should have known the basis of the protest. A protest shall include:

1. The name, address and telephone number of the protester;
2. The signature of the protester or its representative;
3. Identification of the purchasing agency and the Solicitation or Contract number;
4. A detailed statement of the legal and factual grounds of the protest including copies of relevant documents; and
5. The form of relief requested.

**H. Comments Welcome**

The State Procurement Office periodically reviews the Uniform Instructions to Offerors and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 104, Phoenix, Arizona, 85007.



<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

**1.0 Definitions**

All of the definitions included in the Uniform Instructions apply to these Special Instructions. In addition, the terms listed below are defined as follows:

- 1.1 “**May**” means something is permissive.
- 1.2 “**Must**” denotes the imperative.
- 1.3 “**Shall**” means something is mandatory.
- 1.4 “**Should**” denotes a preference.

**2.0 Pre-Offer Conference**

In addition to the “Pre-Offer conference” section of the Uniform Instructions, the following shall apply:

- 2.1 The State does not intend to record or disseminate any of the communications that may occur at the pre-offer conference, to include questions and answers. The pre-offer conference is not mandatory; however, prospective Offerors are strongly encouraged to attend. Offerors should be prepared to seek a response to any inquiries, clarifications, or suggested changes to include any submitted in writing prior to the pre-offer conference, or contemplated to be submitted in writing. Offerors should come to the pre-offer conference fully prepared to seek clarification and Offerors shall not expect that ADHS will respond in writing to written questions or inquiries, except as determined necessary by ADHS to amend the solicitation.

**3.0 Clarifications**

Upon receipt and opening of proposals submitted in response to this solicitation, the State may request oral or written clarifications, including demonstrations or questions and answers, for the sole purpose of information gathering or of eliminating minor informalities or correcting nonjudgmental mistakes in proposals. Clarifications shall not otherwise afford the Offerors the opportunity to alter or change its proposal.

**4.0 Competitive Range**

If the Procurement Officer determines that the number of Proposals that would otherwise be in the Competitive Range exceeds the number at which an efficient competition can be conducted, the Procurement Officer may limit the number of proposals in the Competitive Range to the greatest number that will permit an efficient competition among the most highly advantageous proposals.

**5.0 Discussions**

In accordance with A.R.S. §41-2534, after the initial receipt of proposals, the State may conduct discussions with those Offerors who submit proposals determined by the State to be reasonably susceptible of being selected for award.

**6.0 Final Proposal Revision**

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

If discussions are conducted, the State shall issue a written request for final proposal revision. The request shall set forth the date, time and place for the submission of final proposal revision. Final proposal revision offers shall be requested only once, unless the State makes a determination that it is advantageous to conduct further discussions or change the solicitation requirements.

**7.0 Estimated Quantities**

The State anticipates considerable activity as a result of this solicitation, however, no commitment of any kind is made concerning quantities and the Offeror should take that fact into consideration. Quantities are reflected in the Scope of Work.

7.1 Due to changes in population accurately predicting quantities has proven to be difficult.

7.2 Historical information regarding estimates or quantities may not be a reliable prediction for the future, the State shall be held harmless for any assumptions made by the Offeror regarding the historical information provided by the State or that the Offeror considers in formulating its offer.

**8.0 Offerors Responsibility**

The Offeror is cautioned that it is the Offerors sole responsibility to submit information related to the evaluation categories and that the State of Arizona is under no obligation to solicit such information if it is not included with the Offerors proposal. Failure by the Offeror to submit such information may cause an adverse impact on the evaluation of the Offerors proposal.

**9.0 Evaluation**

In accordance with the Arizona Procurement Code, A.R.S. § 41-2534, Competitive Sealed Proposals, awards shall be made to the responsible Offeror whose proposal is determined in writing to be the most advantageous to the State based upon the evaluation criteria listed below. The evaluation factors are listed in their relative order of importance.

9.1 Experience and Expertise

9.2 Life cycle cost

9.3 Methodology and Approach to include application benefit

9.4 Conformance with the Solicitation to include the Scope of Work, Terms, Conditions and Instructions

**10.0 Exceptions to Terms and Conditions**

In addition to the "Exceptions to Terms and Conditions" section of the Uniform Instructions, the following shall apply:

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

- 10.1 An Offeror or vendor (the term “vendor” as used in this “Exceptions to Terms and Conditions” section is defined as an entity that has not submitted an Offer) may propose exceptions or substitutions to the Solicitation. Vendors may submit contemplated exceptions or substitutions before the Offer due date and vendors are encouraged to submit them, if any, not less than ten (10) days before the Offer due date. Submitting contemplated exceptions or substitutions will permit ADHS to consider them relative to the potential impact to the Solicitation and determine if a Solicitation Amendment is necessary. If ADHS does not issue a written Solicitation Amendment for a vendor’s contemplated exception or substitution prior to the Offer due date, the contemplated exception or substitution has not been accepted by ADHS.
- 10.2 Contemplated exceptions or substitutions submitted prior to the Offer due date will only be considered prior to the Offer due date and will not be considered after the Offer due date unless also submitted with the Offer. ADHS is not obligated to respond to a request to consider exceptions or substitutions prior to the Offer due date. ADHS is not obligated to negotiate exceptions or substitutions.
- 10.3 If submitting contemplated exceptions or substitutions as a vendor, or exceptions or substitutions as an Offeror, each exception or substitution, if any, should be clearly identified by proposing specific word changes in an interlineated format that has added text underlined and deleted text crossed out.
- 10.4 Contemplated exceptions or substitutions submitted prior to the offer due date should be submitted electronically, in Microsoft Word format to the following e-mail address: [szawarr@azdhs.gov](mailto:szawarr@azdhs.gov) . ADHS will confirm receipt by e-mail. If submitting any exceptions or substitutions with the Offer, they should be submitted in accordance with the “Exceptions to Terms and Conditions” section of the Uniform Instructions to Offerors (Section C.4).
- 10.5 If an Offeror submits an exception or substitution with the offer and the Offeror is subsequently awarded a Contract and acceptance of the exception or substitution is not acknowledged by ADHS in the Acceptance of Offer and Contract Award notice; the Contractor shall be bound to perform the Contract without the exception or substitution in effect. No exception or substitution submitted is binding upon ADHS until ADHS acknowledges acceptance of the exception or substitution in writing. Offerors should carefully consider that exceptions or substitutions may result in rejection of the Offer.
- 10.6 The Uniform Instructions to Offerors, “Exceptions to Terms and Conditions,” Section C.4, the sentence that reads: “Any exceptions not included in such a section shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement” is modified to delete the words “not included in such a section”; therefore, this sentence is amended to read: “Any exceptions shall be without force and effect in any resulting Contract unless such exception is specifically accepted by the Procurement Officer in a written statement.”

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

**11.0 Timeliness**

The Uniform Instructions, section "B. Inquiries," sub-section "4. Timeliness" is amended to delete the portion of the first sentence which reads "at least seven days before the Offer due date and time" and insert the following: "no later than 4:00pm, four (4) days after the Pre-Offer Conference date." Inquiries should be submitted electronically, in Microsoft Word format to the following e-mail address [szawarr@azdhs.gov](mailto:szawarr@azdhs.gov). ADHS will confirm receipt by e-mail.

**12.0 Experience and Expertise**

The State desires the Offeror to be a reputable company of sufficiently strong financial standing experienced in the delivery of Hosting services.

12.1 The Offeror should provide the following information for the Offeror and as appropriate any sub-contractors by typing "Response" and the Offeror's response after each item or question below. If attaching a document label it to correspond to the reference section number listed below. The Offer should clearly distinguish if a response is associated to the Offeror or a Subcontractor. The State may contact any entity listed for the purpose of obtaining references relative to past performances and experience and, if necessary, the Offeror shall sign a release to obtain information. The Offeror should respond to the following:

12.1.1 Identifying information to include complete (formal) name, corporate addresses (headquarters and local addresses if any), NYSE/NASDAQ symbol, and other identifying information. Describe the total organization, including any parent companies, subsidiaries, affiliates, and other related entities. If a division or subsidiary of another organization, provide the name, address and phone number of the parent. Provide organizational chart(s) for the overall organization showing each entity within the organization and indicating which entity would have oversight responsibility for this procurement.

12.1.2 Identify a single or lead contact person and/or position title, who will be responsible for all communications with the State throughout the solicitation process and for performance of the Contract, including all applicable contact information, e.g. phone (days, evenings, mobile), e-mail (office and mobile).

12.1.3 Describe the management structure and corporate leadership that would support any resulting contract.

12.1.4 Name of Chief Executive Officer.

12.1.5 Company Website, if any.

12.1.6 Identify the Offeror's current accounting firm.

12.1.7 Length of time in business.

<p align="center"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b>  <b>SOLICITATION #: HP951244</b></p>
--

- 12.1.8 Number of employees.
- 12.1.9 Reserved, this section left intentionally blank.
- 12.1.10 If incorporated, identify state in which incorporated.
- 12.1.11 Indicate all of the following which apply to your organization in the past two (2) years and provide a brief description to include applicable date:
- 12.1.11.1 Has been acquired by another organization;
  - 12.1.11.2 Has merged with another organization;
  - 12.1.11.3 Purchased another organization/company;
  - 12.1.11.4 Changed executive leadership; and,
  - 12.1.11.5 Other organizational change.
- 12.1.12 State any potential mergers and/or changes to the ownership of your company that have been made publicly available.
- 12.1.13 Number of years providing services similar to those requested in this RFP.
- 12.1.14 Is the Offeror, and/or their parent company if applicable, currently in the process of filing for bankruptcy? Has the Offeror, and/or their parent company if applicable, filed for bankruptcy in the past five (5) years? If yes under either condition, Offeror should describe the circumstances of the bankruptcy and how their economic status is improving (has improved).
- 12.1.15 Does the Offeror owe the State of Arizona any taxes?
- 12.1.16 Indicate if the Offeror is currently under suspension or been debarred by the State of Arizona, any other state, political subdivision, or the federal government?
- 12.1.17 Provide the most recent financial ratings and the dates of ratings of your organization. Also provide supporting documentation and explanation for each rating.

	Rating	Date of Rating
Standard & Poor's		
Fitch		
A.M. Best		
Moody's		
Other Financial Ratings (Specify)		

<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

- 12.1.18 Submit the following: audited financial statements for the last three (3) fiscal years; balance sheet; income sheet. Also submit a copy of the "Management Letter and Auditor's Opinion" (letter) from external auditors that was prepared in conjunction with the annual audits. If the audit or letter identifies any findings or concerns, include a brief description of any corrective action(s) taken to resolve them. The "Management Letter and Auditor's Opinion" is **not** the auditor's cover letter; it is the auditor's letter to the agency management that describes any audit findings and recommendations.
- 12.1.19 If a SAS Type I or II audit has been completed, submit the most recent one completed of each Type.
- 12.1.20 What is the annual contract value of Offeror's three (3) largest Hosting services contracts substantially equivalent to the services for this procurement?
- 12.1.21 Fully disclose involvement in any legal proceedings, lawsuits or governmental regulatory actions and any contractual demands for assurance regarding the provision of similar services, pending or occurring in the last five (5) years.
- 12.1.22 A description of any performance deficiencies, notices to cure, failure to perform, termination for cause or default within the past five (5) years. The information for this section is to be provided for the Offeror as currently constituted; any predecessor companies (including any companies the Offeror has acquired); any parent, subsidiary or other affiliated companies.
- 12.1.23 Identify and describe the Key Personnel that would support any resulting contract. Provide description of their training, experience and performance in supporting similar customers, with particular deference to other state and local government customers. If subcontractors are being used, identify any of their Key Personnel and their similar qualifications and experience as well. Indicate which of these individual(s) would have direct responsibility and control over any resulting contract. Information may be provided by resume or vita. If a specific individual is not know, but will be assigned after contract award provide job descriptions that include the qualities, education, experience, and training desired.
- 12.1.24 Describe experience in the provision of services like those required by in this RFP.
- 12.1.25 Describe the experience with similar customers, with particular deference to other state and local governments, in the provision of products and services like those required in this RFP. List the three largest state or local government contracts and the state or local contact person for each.
- 13.0 Federal Immigration and Nationality Act**  
By signing the Offer the Offeror warrants that it and all proposed subcontractors are in compliance with the Federal Immigration and Nationality Act (FINA) and all other

## **SPECIAL INSTRUCTIONS TO OFFERORS**

### **SOLICITATION #: HP951244**

Federal immigration laws and regulations related to the immigration status of its employees. The Offeror shall obtain statements from all proposed subcontractors certifying compliance with this requirement and shall furnish the statements to the Procurement Officer upon request.

#### **14.0 Information Technology**

Unless specifically authorized in the contract, any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. § 41-2531 and § 41-2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities. If the Offeror believes that compliance with this requirement poses an undue burden, the Offeror shall notify the procurement officer in writing at least five (5) days before the offer due date and time.

#### **15.0 Offer Acceptance Period**

This section of the Uniform Instructions is amended to modify the time an Offeror shall hold its Offer open: six (6) months.

#### **16.0 Offer Format**

The Offer, to include all attachments and documents shall be submitted in a format acceptable to the State. Acceptable formats include .doc document (Microsoft Word 2000, or 2003); .xls spreadsheet (Microsoft Excel 2000, or 2003), and .pdf (Adobe Acrobat portable document format). Prospective Offerors that wish to submit attachments in other formats shall submit an inquiry to the Procurement Officer.

#### **17.0 Offshore Performance of Work**

Due to security and identity protection concerns, direct services under this contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers. Offerors shall declare all anticipated offshore services in the proposal.

#### **18.0 On-Site Inspection, References and Experience Verification**

ADHS may request on-site visits with Offeror(s) to obtain clarification of proposals and the Offeror shall be available for on-site inspection of facilities as determined necessary by ADHS.

- 18.1 The Offeror should have prior experience with hosting services similar in size and scope as specified in this solicitation. The Offeror agrees that by submitting an Offer,

## **SPECIAL INSTRUCTIONS TO OFFERORS**

### **SOLICITATION #: HP951244**

ADHS or its designated agent may contact any entity listed in the Offer or any entity known to have a previous business relationship with the Offeror for the purpose of obtaining references relative to past performance and verifying experience or other information submitted with the Offer. In addition, by submitting an Offer, the Offeror is agreeing to give permission to the entity to provide information and to take whatever action is necessary to facilitate, encourage or authorize the release of information; if necessary, the Offeror shall sign a release to obtain information.

#### **19.0 Responsibility and Susceptibility**

The Agency Chief Procurement Officer will consider, but is not limited to, the following in determining an Offeror's responsibility as well as susceptibility to Contract Award:

- 19.1 Whether the Offeror has had a contract within the last seven (7) years that was terminated for cause due to breach or similar failure to comply with the terms of the contract;
- 19.2 Whether the Offeror's record of performance includes factual evidence of failure to satisfy the terms of the Offeror's agreements with any party to a contract. Factual evidence may consist of documented vendor performance reports, Customer complaints and/or negative references;
- 19.3 Whether the Offeror is legally qualified to contract with the State;
- 19.4 Whether the Offeror promptly supplied all requested information concerning its responsibility;
- 19.5 Whether the Offer was sufficient to permit evaluation by the State, in accordance with the evaluation criteria identified in this Solicitation or other necessary offer components. Necessary offer components include: attachments, documents or forms to be submitted with the offer, an indication of the intent to be bound, reasonable or acceptable approach to perform the Scope of Work, signed Solicitation Amendments, references, experience verification, adequacy of financial, business, personal or other resources and stability including subcontractors and any other data specifically requested in the Solicitation;
- 19.6 Whether the Offer was in conformance with all the requirements contained in the Scope of Work, Terms and Conditions, and Instructions for the Solicitation and its Amendments, including the documents incorporated by reference;
- 19.7 Whether the Offer limits the rights of the State;
- 19.8 Whether the Offer materially changes the Solicitation, which includes the Scope of Work, Terms and Conditions, or Instructions; and,
- 19.9 Whether the Offeror provides misleading or inaccurate information.



<p style="text-align: center;"><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

**20.0 Offer (Proposal) and Order of Documents to be Submitted**

The Offeror should submit **one (1) original and six (6) paper copies** of each proposal on the forms and in the following format. In addition, three (3) compact discs (CDs) of the Offer should be submitted. The Offers should be typed using a 12-point font and single-spaced. The original copy of the proposal should be clearly labeled "ORIGINAL". The six (6) copies should be submitted stapled/clipped and marked as copy. The material should be in sequence and related to the RFP. Failure to include the requested information may have a negative impact on the evaluation of the Offeror's proposal. The original, ink signed proposal should be provided in a, 3 ring binder labeled with Offeror's name and project title. The Offer should have a table of contents with page numbers for each of the primary sections in the same order as listed below:

**20.1 Table of Contents:** The Offeror should provide page numbers for each section of the proposal.

**20.2 Signed Offer and Acceptance Form (Attachment A):** The top half of the form should be completed and signed by an authorized person. By signing the Offer and Acceptance, the Offeror is agreeing to conform to all requirements contained in the Scope of Work, Terms and Conditions, and Instructions, including the requirements in all documents incorporated by reference, if awarded the Contract.

**20.3 Signed Solicitation Amendments** (if any have been issued by ADHS).

**20.4 Exceptions to terms and conditions** (reference Uniform Instructions section C. 4 and Special Instructions, section 8.0), if any.

**20.5 Executive Summary:** The Offeror should provide an Executive Summary of the proposed solution to this solicitation. This Executive Summary should not exceed one (1) page. It should be a high-level overview of how the Offeror proposes to accomplish the requirements of this RFP. The purpose of this Executive Summary is to convey to the reader of the proposal the Offeror's general approach.

**20.6 Price Sheet (Attachment B):** This form is self explanatory. The form may not be modified and should be submitted with prices inserted. An Offeror's failure to include prices in years two (2) through five (5) will exclude consideration, by the State, for a price increase for that year(s) and the price shall be set at the first year price.

**20.7 Experience and Expertise:** The Offeror should respond to Section 10 of these Special Instructions.

**20.8 Method of Approach- TASKS Methodology:** Offeror should provide a written narrative of the method of approach to be utilized in performance of the Scope of

## SPECIAL INSTRUCTIONS TO OFFERORS

### SOLICITATION #: HP951244

Work (SOW). The Offeror's response should start by **REPEATING** (retyping) each section reference number (e.g., 4.3.), from the Scope of Work. The Offeror's response to this should be for the following SOW sections:

4.3 and 4.5 through 4.10;  
5.0 – all subsections;  
7.2 and 7.3;  
8.1, 8.2, and 8.3;  
9.3 and 9.4;  
10.0 through 14.0 – all subsections;  
15.1 and 15.3;  
16.0 and 17.0 – all subsections;  
18.1 through 18.5, and 18.9 through 18.14;  
19.0 through 22.0 – all subsections; and,  
24.0 – all subsections.

- 20.8.1 When providing the Method of Approach to the SOW, by section number, consider that the SOW section may have been addressed in a previous section or pursuant to these Special Instructions. If the SOW section has previously been addressed, so indicate, and provide the Offer section reference number. The Offeror should not repeat the same information in multiple sections of its Offer.
- 20.8.2 The verbiage for the Method of Approach should be descriptive, factual, provide solutions to problems, the approach to implement a requirement, and plans of proposed action. The usage of technical language should be minimized and used only to describe a technical process.
- 20.8.3 When appropriate, the Method of Approach should include a chronology; provide a detailed schedule of tasks and subtasks to be accomplished and continuing until the task and/or subtasks are completed, and provide start and end dates or time periods for tasks and subtasks as appropriate for performance.
- 20.9 **Sub-contracting:** The Offeror should indicate on a separate page(s) titled "Sub-contract" if any sub-contractors will be used to perform the Scope of Work; list the sub-contractor's name and the type of the service to be provided and the amount of time or effort (should be specified by a "%") of the total Contract performance. If sub-contractors will be used to perform any portion of the Contract Scope of Work, the Offeror should describe the quality assurance measures that the Contractor will use to monitor the sub-contractor's performance. Sub-contractor information is only required for subcontractors that are furnishing any of the services or solutions required for the performance of the Scope of Work; therefore, Sub-Contractor's does not include services like janitorial or landscaping services. The State reserves the right to request any additional information deemed necessary about any proposed subcontractors.

<p><b>SPECIAL INSTRUCTIONS TO OFFERORS</b> <b>SOLICITATION #: HP951244</b></p>
--

20.10 Notices, correspondence, reports and payments from ADHS to the Contractor should be sent to:

Contact Name \_\_\_\_\_  
Title \_\_\_\_\_  
Company Name \_\_\_\_\_  
Address \_\_\_\_\_  
City, State Zip Code \_\_\_\_\_

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

A. **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

1. "*Attachment*" means any item the Solicitation requires the Offeror to submit as part of the Offer.
2. "*Contract*" means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
3. "*Contract Amendment*" means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
4. "*Contractor*" means any person who has a Contract with the State.
5. "*Days*" means calendar days unless otherwise specified.
6. "*Exhibit*" means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
7. "*Gratuity*" means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
8. "*Materials*" means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
9. "*Procurement Officer*" means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
10. "*Services*" means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
11. "*Subcontract*" means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
12. "*State*" means the State of Arizona and ADHS or Agency of the State that executes the Contract.
13. "*State Fiscal Year*" means the period beginning with July 1 and ending June 30,

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

**B Contract Interpretation**

1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.
3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
  - 3.1 Special Terms and Conditions;
  - 3.2 Uniform Terms and Conditions;
  - 3.3 Statement or Scope of Work;
  - 3.4 Specifications;
  - 3.5 Attachments;
  - 3.6 Exhibits; and
  - 3.7 Documents referenced or included in the Solicitation.
4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

**C. Contract administration and operation.**

1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other “records” relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any oral such records.
2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor’s or any subcontractor’s books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor’s processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor’s facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines noncompliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.
6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

9. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract ("Intellectual Property"), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of the contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor (s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, ADHS, division, board or commission of the State of Arizona requesting the issuance of this contract.

**D. Costs and Payments**

1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
3. Applicable Taxes.
  - 3.1 Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
  - 3.2 State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
  - 3.3 Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

- 3.4 IRS W9 Form. In order to receive payment the Contractor shall have a current IRS W9 Form on file with the State of Arizona, unless not required by law.
4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 5.1 Accept a decrease in price Offered by the Contractor;
- 5.2 Cancel the Contract; or
- 5.3 Cancel the contract and re-solicit the requirements.

**E. Contract Changes**

1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

**F. Risk and Liability**

1. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.



<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

2. Indemnification

2.1 Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its' Departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its' departments, agencies, boards and commissions shall be responsible for its' own negligence. Each party to this contract is responsible for its' own negligence.

2.2 Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its' officers, officials, agents, employees, or volunteers."

3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

4. Force Majeure.

4.1 Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

4.2 Force Majeure shall not include the following occurrences:

4.2.1 Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

- 4.2.2 Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
  - 4.2.3 Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
  - 4.3 If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
  - 4.4 Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**G. Warranties**

- 1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- 2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
  - 2.1 Of a quality to pass without objection in the trade under the Contract description;
  - 2.2 Fit for the intended purposes for which the materials are used;
  - 2.3 Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
  - 2.4 Adequately contained, packaged and marked as the Contract may require; and

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

- 2.5 Conform to the written promises or affirmations of fact made by the Contractor.
3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.
5. Year 2000.
  - 5.1 Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
  - 5.2 Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.
6. Compliance with Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable licenses and permit requirements.
7. Survival of Rights and Obligations after Contract Expiration or Termination.
  - 7.1 Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

- 7.2 Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

#### **H. State's Contractual Remedies**

1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.
2. Stop Work Order.
  - 2.1 The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
  - 2.2 If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.
3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.
4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

**I. Contract Termination**

1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was Offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity Offered by the Contractor.
3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an Offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in

<p style="text-align: center;"><b>UNIFORM TERMS AND CONDITIONS</b> <b>SOLICITATION NO: HP951244</b></p>
---

progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.

5. Termination for Default.

5.1 In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.

5.2 Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.

5.3 The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.

6. Continuation of Performance through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

**J. Contract Claims**

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.

**K. Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes.

**L. Comments Welcome**

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15<sup>th</sup> Avenue, Suite 104, Phoenix, Arizona, 85007.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

**1.0 Definition of Terms**

1.1 All of the definitions included in the Uniform Terms and Conditions apply to these Special Terms and Conditions. The terms listed below apply throughout the Contract, unless otherwise indicated, and are defined as follows:

1.2 "May" means something is permissive.

1.3 "Must" denotes the imperative.

1.4 "Shall" means something is mandatory.

1.5 "Should" denotes a preference.

**2.0 Accuracy of Work**

The Contractor shall be responsible for the accuracy of the work and shall promptly make all necessary revisions or corrections resulting from errors and omissions on the part of the Contractor without additional compensation. Acceptance of the work by the State will not relieve the Contractor of the responsibility for subsequent correction of any such errors and the clarification of any ambiguities. Should the work products require correction, the State reserves the right to withhold all or partial payment on future assignments until the work product has been reviewed and accepted by the State. Payment of any invoice shall not preclude the State from making claim for adjustment on any service found to have been in non-compliance with the contract.

**3.0 Reserved (intentionally left blank)**

**4.0 Certification of Cost and Price Data**

The Contractor shall submit cost and or pricing data to ADHS, as specified by ADHS, in accordance with Arizona Revised Statutes, Title 41, Chapter 23, Articles 3 and 7, and related Arizona Administrative Code (A.A.C.) rules. By signing the Offer and Contract Award form, a Contract Change Order, a Contract Amendment or other official form, the Contractor is certifying that, to the best of the Contractor's knowledge and belief, any cost or pricing data submitted is accurate, complete and current as of the date submitted or other mutually agreed upon date. Furthermore, the Contractor's payment may be adjusted, to exclude any significant amounts by which the ADHS finds the Contractor-furnished cost or pricing data was inaccurate, incomplete or not current as of the date of certification. Such adjustment by the ADHS may include the amount of the defect plus overhead and profit or fees. The cost and pricing data shall be submitted in accordance with A.A.C. R2-7-701 and be sufficiently detailed, accurate, complete and current to ADHS's satisfaction to support and provide the basis for the Contractor's payment provided for in this Contract. The ADHS may make a preliminary finding regarding the suitability of Contractor submitted cost or pricing data and upon final determination by the ADHS, make an adjustment to any payments paid by the ADHS.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

**5.0 Changes to Documents Incorporated by Reference**

ADHS will notify the Contractor when changes are made to a document incorporated by reference that ADHS authored. Changes to any of the documents incorporated by reference do not require a written Contract Amendment.

**6.0 Compliance Requirements for A.R.S. §41-4401, Government Procurement: E-Verify Requirement**

- 6.1 The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. §23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the E-Verify program.")
- 6.2 A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the contract.
- 6.3 Failure to comply with a State audit process to randomly verify the employment records of Contractors and subcontractors shall be deemed a material breach of the Contract and the Contractor may be subject to penalties up to and including termination of the contract.
- 6.4 The State Agency retains the legal right to inspect the papers of any employee who works on the Contract to ensure that the Contractor or subcontractor is complying with the warranty under paragraph 1.

**7.0 Computer and Data Standards**

The Contractor shall comply with all Policies, Standards, and Procedures established by GITA or ADHS with regards to IT Enterprise Architecture and Security that are in effect during the Contract period as provided by the Scope of Work. The cost of complying with these Policies, Standards, and Procedures will be borne by the Contractor.

**8.0 Confidentiality of Information**

The Contractor shall treat all information and in particular, information relating to recipients and providers, which is obtained by it through its performance under the Contract, as confidential information to the extent that confidential treatment is provided under State and federal law, and shall not use any information so obtained in any manner except as necessary for the proper discharge of its obligations and protection of its rights hereunder.

**9.0 Confidentiality of Records**

The Contractor shall establish and maintain procedures and controls acceptable to the State for the purpose of ensuring that information or data in its possession is not mishandled, misused, released, disclosed, or used in an inappropriate manner by it, its



<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

agents, officers, or employees. This includes information contained in its records obtained from the State or others, necessary for Contract performance. The Contractor shall take all reasonable steps and precautions to safeguard this information and data and shall not divulge the information or data to parties other than those needed for the performance of duties under the contract.

**10.0 Contract Extensions**

The Contract is subject to an additional four (4) successive periods of a maximum twelve months per extension with a maximum aggregate including all extensions not to exceed five (5) years, five (5) months. The Contract shall not bind nor purport to bind, the State for any contractual commitment in excess of the original Contract period.

**11.0 Contract Implementation Meetings**

Upon award, the Contractor may be required to participate in meetings for the successful implementation of the contract. The meetings will be at the discretion of ADHS. The Contractor will be notified in advance of the meeting(s) time, frequency, and locations to ensure all appropriate Contract staff and representatives attend. The State reserves the right to decline conference call attendance or participation.

**12.0 Contract Restructure after Award**

The State may clarify any Contract following award. This clarification shall not substantially alter the contents of the Contract, but shall only edit and reformat the Contract in a manner that will facilitate ease of use, contract administration, and concurrence of the Parties.

**13.0 Contract Term**

The term of the Contract shall commence on the date of award and will continue until December 31, 2010 unless cancelled, terminated or extended as otherwise provided herein. After the first Contract term, it is the intent of the State to operate the Contract on a twelve (12) month term from January 1 to December 31.

**14.0 Contract Type**

- 14.1 The Contract shall be a fixed price contract.
- 14.2 The Contractor will be paid in accordance with the Price Sheet (Attachment B).
- 14.3 Task Assignment work will be paid in accordance with the Price Sheet (Attachment B) and pursuant to the "Task Assignment" section of these Special Terms and Conditions.
- 14.4 Connectivity Rates will be paid in accordance with the Price Sheet (Attachment B) if the State authorizes a higher standard increase than specified by the Scope of Work.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

- 14.5 RAID Storage Space will be paid in accordance with the Price Sheet (Attachment B) for each terabyte of RAID storage needed to perform the Scope of Work, as approved by the State.
- 14.6 The Contractor will be paid in accordance with the Price Sheet (Attachment B), as determined necessary by the State, for the replacement of the State owned Acordex Remote Attestation system.
- 14.7 ADHS will not reimburse any item other than the all-inclusive prices contained in the Contract Price Sheet (Attachment B) except for travel required by the ADHS. Travel expenses will only be reimbursed for travel when specifically requested by the ADHS, after Contract award, to a destination outside Maricopa County Arizona. Travel costs include airfare, auto rental, per diem expenses or other items prior approved by the ADHS Procurement Officer. Travel and per diem rates will be as per the then current State of Arizona rates published by the Arizona Department of Administration. ADHS will not authorize reimbursement by the State for travel to and from any of the Contractor's out-of-state offices or travel that may be required to perform the Scope of Work, or attend meetings in Maricopa County Arizona.

**15.0 Data Encryption**

All data deemed sensitive or confidential by the State that will be stored or transmitted, by any means shall be encrypted. The Contractor shall comply with all Policies, Standards, and Procedures established by GITA or ADHS with regards to data encryption that are in effect during the Contract period, as specified in the Scope of Work or any other section of the Contract. The cost of complying with these Policies, Standards, and Procedures will be borne by the Contractor.

**16.0 Documents Incorporated by Reference**

The Contractor shall perform the Contract in accordance with documents, to include any subsequent amendments, modifications and supplements, incorporated by reference or specified in the Scope of Work or any other section of the Contract.

**17.0 Estimated Usage**

ADHS makes no guarantee as to the amount of work that may be performed under the Contract. ADHS shall be held harmless for any assumptions made by the Contractor regarding any historical information provided by ADHS or any information the Contractor considered in formulating its Offer.

**18.0 Evaluation**

The ADHS may evaluate, and the Contractor shall cooperate in the evaluation of, Contract services. Evaluation may assess the quality and impact of Contract services, either in isolation or in comparison with other similar services, and assess the Contractor's progress and/or success in achieving the Scope of Work, goals, objectives and deliverables set forth in this Contract.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

**19.0 Reserved (intentionally left blank)**

**20.0 Financial Reporting Requirements**

- 20.1 In addition to the financial reporting requirement specified in the Scope of Work, the Contractor shall annually submit to ADHS audited financial statements prepared by an independent certified public accounting firm selected and paid for by the Contractor. The audit must be conducted according to generally accepted auditing standards (GAAS). The Audit Report, Management Letter and Auditor's Opinion must be submitted to ADHS within thirty (30) days of issuance by the certified public accounting firm, but no later than 100 days after the Contractor's fiscal year end. The audited financial statements must present the Contractor's line of business under this Contract (including assets, liabilities, equity, revenue, expenses, and cash flows) independent of any other lines of business in which the Contractor may be engaged. The Contractor's line of business under this Contract must at least be in the form of supplemental schedules, if they are not separately presented in the financial statements.
- 20.2 If a qualified opinion is issued by the independent certified public accounting firm the Contractor shall report, to ADHS's satisfaction, the impact the qualified opinion will have on the Contractor's ability to perform the Contract and the corrective actions taken. The report on the Contractor's ability to perform and the corrective actions taken shall be provided to ADHS within thirty (30) days of issuance of the audit report, unless another time period is approved in writing by ADHS.
- 20.3 If any deficiencies in internal controls are reported by the independent certified public accounting firm, the Contractor shall report, satisfactory to ADHS, the deficiencies reported and the actions taken to correct the deficiencies, within thirty (30) days of issuance of the audit report. If the deficiencies cannot be corrected within thirty (30) days the Contractor shall submit its plan of correction, satisfactory to ADHS, within thirty (30) days of the issuance of the audit report.
- 20.4 The Contractor shall report, satisfactory to ADHS, on the status of completing its plan(s) of correction for a qualified opinion or deficiencies in internal controls if the corrective actions have not been implemented by the time of the original report(s) to ADHS. If the corrections indicated in the plan are not made in accordance with the plan or within the time frames specified within the plan, the Contractor shall provide periodic updates on a schedule determined by ADHS of the status of the corrective actions.
- 20.5 ADHS must be notified in writing of any substantial change in the Contractor's financial condition during the term of the Contract. Failure to notify ADHS of such a substantial change in financial condition will be sufficient grounds for terminating the Contract.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

**21.0 Financial Status and Condition**

The State shall be notified in writing of any substantial change in the Contractor's financial condition during the term of the Contract. Failure to notify the State of such a substantial change in financial condition will be sufficient grounds for terminating the Contract.

**22.0 Health Insurance Portability and Accountability Act of 1996 (HIPAA)**

22.1 The Contractor warrants that it is familiar with the requirements of HIPAA and HIPAA's accompanying regulations and will comply with all applicable HIPAA requirements in the course of this contract. Contractor warrants that it will cooperate with the Arizona Department of Health Services (ADHS) in the course of performance of the Contract so that both the ADHS and Contractor will be in compliance with HIPAA, including cooperation and coordination with the ADHS Privacy Officer and other compliance officials required by HIPAA and its regulations. Contractor will sign any documents that are reasonably necessary to keep the ADHS and Contractor in compliance with HIPAA, including, but not limited to, business associate agreements.

22.2 If requested by the ADHS, Contractor agrees to sign the "Arizona Department of Health Services Pledge To Protect Confidential Information" and to abide by the statements addressing the creation, use and disclosure of confidential information, including information designated as protected health information and all other confidential or sensitive information as defined in policy. In addition, if requested, Contractor agrees to attend or participate in HIPAA training offered by the ADHS or to provide written verification that the Contractor has attended or participated in job related HIPAA training that is: (1) intended to make the Contractor proficient in HIPAA for purposes of performing the services required and (2) presented by a HIPAA Privacy Officer or other person or program knowledgeable and experienced in HIPAA and who has been approved by the ADHS HIPAA Compliance Officer.

**23.0 Indemnification Clause**

The parties to this Contract agree that the State of Arizona, its departments, agencies, boards, commissions and universities shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this Contract is responsible for its own negligence.

*This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

**24.0 Inspections**

24.1 At any time during the term of this Contract, the Contractor and its Subcontractors shall fully cooperate with inspections by ADHS or its agent, or any authorized representative

## SPECIAL TERMS AND CONDITIONS

### SOLICITATION #: HP951244

of the Federal or State governments. The Contractor and its Subcontractors shall allow:

- 24.1.1 Access to the Contractor's and Subcontractors' staff and Members;
- 24.1.2 Access to books and records related to the performance of the Contract or Subcontracts for inspection, audit and reproduction. This shall include allowing ADHS to inspect the records of any employee who works on the Contract to ensure that the Contractor is in compliance with all laws and regulations; and
- 24.1.3 On-site inspection, or other means, for the purpose of evaluating the quality, appropriateness, timeliness, and safety of services performed under this Contract. This inspection shall be conducted at reasonable times unless the situation warrants otherwise.

#### 25.0 Insurance

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

- A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

##### 1. Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect***

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

*to liability arising out of the activities performed by or on behalf of the Contractor".*

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**2. Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

Combined Single Limit (CSL)	\$1,000,000
-----------------------------	-------------

- a. The policy shall be endorsed to include the following additional insured language: **"The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor".**

**3. Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**4. Technology/Network Errors and Omissions Insurance**

Each Claim	\$5,000,000
Annual Aggregate	\$10,000,000

Coverage to include:

- Hostile action or a threat of hostile action with the intent to affect, alter, copy, corrupt, destroy, disrupt, damage, or provide unauthorized access/unauthorized use of a computer system including exposing or publicizing confidential electronic data or causing electronic data to be inaccessible;

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

- Computer viruses, Trojan horses, worms and any other type of malicious or damaging code;
  - Dishonest, fraudulent, malicious, or criminal use of a computer system by a person, whether identified or not, and whether acting alone or in collusion with other persons, to affect, alter, copy corrupt, delete, disrupt, or destroy a computer system or obtain financial benefit for any party or to steal or take electronic data;
  - Denial of service for which the insured is responsible that results in the degradation of or loss of access to internet or network activities or normal use of a computer system;
  - Loss of service for which the insured is responsible that results in the inability of a third party, who is authorized to do so, to gain access to a computer system and conduct normal internet or network activities;
  - Access to a computer system or computer system resources by an unauthorized person or an authorized person in an unauthorized manner;
  - Loss or disclosure of confidential information no matter how it occurs;
  - Systems analysis;
  - Software Design;
  - Systems programming;
  - Data processing;
    - Systems integration;
    - Outsourcing including outsourcing development and design;
    - Systems design, consulting, development and modification;
    - Training services relating to computer software or hardware;
    - Management, repair and maintenance of computer products, networks and systems;
    - Marketing, selling, servicing, distributing, installing and maintaining computer hardware or software; and
    - Data entry, modification, verification, maintenance, storage, retrieval or preparation of data output.
  - a. In the event that the professional liability insurance required by this Contract is written on a claims-made basis, Contractor warrants that any retroactive date under the policy shall precede the effective date of this Contract; and that either continuous coverage will be maintained or an extended discovery period will be exercised for a period of two (2) years beginning at the time work under this Contract is completed.
  - b. The policy shall cover professional misconduct or lack of ordinary skill for those positions defined in the Scope of Work of this contract.
- B. **ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. **NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to ADHS, Office of Procurement, 1740 W. Adams, Suite 303, Phoenix, AZ 85007 and shall be sent by certified mail, return receipt requested.

D. **ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A.M. Best" rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to ADHS, Office of Procurement, 1740 W. Adams, Suite 303, Phoenix, AZ 85007. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.**

F. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies or Contractor shall furnish to the State of Arizona separate



<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.

- G. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.
- H. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

**26.0 Intellectual Property**

For any intellectual property used in the performance of the Contract that is retained and not transferred by the Contractor pursuant to the Uniform Terms and Conditions, section 3.8, "Ownership of Intellectual Property," Contractor shall be deemed to have provided ADHS and ADHS's designees with a non-exclusive license or similar permission to use such property for nine (9) years from the date the ADHS Procurement Officer executes the Acceptance of Offer. Contractor shall, upon request from ADHS and in a timely manner, take any and all steps that may be necessary to formalize such license or permission. The provisions of this section shall extend beyond Contract termination. It is the intention of the parties that this section shall be completely sufficient to provide ADHS and ADHS's designees with such a license.

**27.0 IT 508 Compliance**

Unless specifically authorized in the Contract, any electronic or information technology offered to the State of Arizona under this solicitation shall comply with A.R.S. §41-2531 and 2532 and Section 508 of the Rehabilitation Act of 1973, which requires that employees and members of the public shall have access to and use of information technology that is comparable to the access and use by employees and members of the public who are not individuals with disabilities.

**28.0 Key Personnel**

It is essential that the Contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the State Contract Procurement Officer.

**29.0 Offshore Performance of Work Prohibited**

Due to security and identity protection concerns, direct services under this Contract shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and may involve access to secure or sensitive data or personal client data or development

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

**30.0 Pandemic Contractual Performance**

30.1 The State shall require a written plan that illustrates how the Contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

30.1.1 Key succession and performance planning if there is a sudden significant decrease in Contractor's workforce.

30.1.2 Alternative methods to ensure there are products in the supply chain.

30.1.3 An up to date list of company contacts and organizational chart.

30.2 In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this Contract impossible or impracticable, the State shall have the following rights:

30.2.1 After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the Contractor cannot perform to the standards agreed upon in the initial terms.

30.2.2 The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the director as per § 41-2537 of the Arizona Procurement Code.

30.2.3 Once the pandemic is officially declared over and/or the Contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

**31.0 Reserved (intentionally left blank)**

**32.0 Performance Standards**

The State relies upon the provision of services in accordance with the contract. Therefore, while assignment due dates may be variable, the Contractor agrees that time is of the essence, and that contractual commitments and specified time-frames or dates shall be met. Performance of this Contract may require the Contractor to have access to and use of data and information which may be considered proprietary to a Government agency or

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

a Government Contractor or which may otherwise be of such a nature that its dissemination or use, other than in the performance of this contract, would be adverse to the interests of the State or others. The Contractor agrees that Contractor's employees and any subcontractors will not divulge or release data or information developed or obtained in connection with the performance of the Contract, unless made public by the State, except to authorized State personnel or upon written approval of the State.

**33.0 Price Adjustment (Annual)**

- 33.1 The State may review a fully documented request for a price increase adjustment only after the Contract has been in effect for one (1) year. A price increase adjustment shall only be considered at the time of Contract extension and shall be a factor in the extension review process. The State shall determine whether the requested price increase or an alternate option is in the best interest of the State.
- 33.2 The request for a price increase adjustment shall be submitted from 90 to 120 days prior to the anniversary Contract renewal date (January 1) of the Contract and shall be a factor in the extension review process.
- 33.3 Failure to submit the request within the stated timeframe and/or failure to supply adequate documented information that supports the increase may result in the state not considering the request. The State is not obligated to consider a request for a price increase that is submitted less than 90 days prior to the anniversary Contract renewal date.
- 33.4 The request shall be in writing and provide supportive documentation to include cost and price information, of sufficient detail and to the State's satisfaction, which provides the basis for the requested price increase. Upon request by the State, the Contractor shall make available all work papers used to develop the basis for the requested price increase.
- 33.5 The State will only consider a price increase that is no greater than the prices on the original Contract Price Sheet (Attachment B). The State is not obligated to provide a price increase adjustment even if fully documented.
- 33.6 The price increase adjustment, if approved, will be effective upon the effective date of the Contract extension. Price reductions will become effective upon acceptance by the State.

**34.0 Requests for Information**

ADHS may request financial or other information from the Contractor. Upon receipt of a request for information, the Contractor shall provide complete and accurate information no later than thirty (30) days after the receipt of the request unless otherwise specified by ADHS. The Contractor shall provide all information requested by ADHS on a timely basis to facilitate ADHS obligations and functions.

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

**35.0 Sudan or Iran Investments (Compliance with A.R.S. §§35-393 and 35-391)**

- 35.1 In accordance with A.R.S. §35-393, the Contractor hereby certifies that the Contractor does not have scrutinized business operations in Iran.
- 35.2 In accordance with A.R.S. §35-391, the Contractor hereby certifies that the Contractor does not have scrutinized business operations in Sudan.

**36.0 Task Assignment**

- 36.1 Should ADHS require additional billable Contractor work, both ADHS and the Contractor agree that work will be pursuant to a Task Assignment process specified herein. Task Assignments shall be limited to additional work, which ADHS directs the Contractor to perform, that is within the general scope of the Contract but was not specifically itemized. Task Assignments do not include work or materials omitted by the Contractor, which are needed for the successful completion or compliance of the Contract. Examples of such Task Assignments include, but are not limited to, a request to produce new reports.
- 36.2 Contractor shall not proceed with any work that causes additional cost to ADHS without written authorization from the ADHS Procurement Officer.
- 36.3 Contractor shall adhere to the hourly rates established in the Contract Price Sheet (Attachment B) including subcontractor personnel. Price for Task Assignments will be on a Firm, Fixed Price basis. However, in order not to delay work, Task Assignments may be initially approved by the ADHS Procurement Officer on a "not to exceed" basis and a Firm, Fixed Price will be approved by the ADHS Procurement Officer at a later date.
- 36.4 ADHS may prepare an initial Task Assignment Proposal (TAP). In response to a TAP initiated by ADHS, Contractor shall submit, at no cost to the ADHS, a Task Assignment Offer (TAO), that is responsive to the TAP, which shall include, but is not limited to, the following: Method of Approach to the tasks in the TAP (including any suggested changes), specific personnel to be assigned to complete work, the number of hours per staff person assigned, needed to complete the TAP, and the cost based upon the Contract Price Sheet and the level of effort proposed. Pricing for items or materials not included in the Contract Price Sheet shall be supported by three (3) written quotes or another method approved by the ADHS Procurement Officer.
- 36.5 ADHS may issue a Task Assignment based on the TAP and the TAO. Task Assignment shall be signed by the Contractor and the ADHS Chief Procurement Officer for the Task Assignment to be effective.
- 36.6 A Task Assignment shall only be changed pursuant to:

<p style="text-align: center;"><b>SPECIAL TERMS AND CONDITIONS</b> <b>SOLICITATION #: HP951244</b></p>
--

36.6.1 A Task Assignment Amendment signed by the ADHS Chief Procurement Officer and an authorized representative of the Contractor.

36.6.2 The Change Order procedure as may be specified in the Task Assignment.

36.7 The Contractor shall notify, in writing, the ADHS Procurement Officer of differing conditions not anticipated in the Task Assignment which may change cost, methodology, or completion time; however, the Contractor's notice does not relieve the Contractor from its obligation to perform in accordance with the Task Assignment. Such written notification shall be made as soon as possible but no later than one (1) business day from discovery. Allowable changes will be authorized by Task Assignment Amendment.

36.8 The completion of Task Assignment work shall survive the termination date of the Contract, if authorized by ADHS, and the Contractor shall continue work in accordance with the Task Assignment.

**37.0 Transition**

When the Contract Term ends or in the event the Contract is terminated with or without cause, the Contractor, whenever determined appropriate by the ADHS, shall assist the ADHS in the transition of services to other Contractors or the State. Such assistance and coordination shall include but not be limited to, the forwarding of Contract works, electronic files and other records to assure the smoothest possible transition and continuity of services. The cost of reproducing and forwarding such records and other materials shall be borne by the Contractor. The Contractor must make provisions for continuing all performance under this Contract, to include management/administrative services until the transition of services is complete and all other requirements of this Contract are satisfied.

**38.0 Visitation, Inspection and Copying**

Contractor's or subcontractor's facilities, books and records pertaining to the Contract shall be available for visitation, inspection and copying by the ADHS and any other appropriate agent of the ADHS. If the ADHS deems it to be an emergency situation, it may at any time visit and inspect the Contractor's or subcontractor's facilities, services and individuals served, as well as inspect and copy Contract-related books and records.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

**1.0 Introduction for Hosting**

The Arizona Department of Health Services (ADHS) Office of Vital Records (OVR) has a Web based application Arizona Vital Statistics Information Management System. The scope of work shall be performed in accordance with A.R.S. § 36-302(B) (3) and (4).

**2.0 Background for Hosting**

2.1 The OVR currently contracts for the hosting of three (3) applications associated with AzVRS. The three (3) applications are the website (*azvitals.com*), the Real-time Verification of Social Security numbers and a Remote Attestation system. The website applications executes in an Oracle Application Server environment with an Oracle Database backend. The current system supports the following: OVR, the Vital Records offices of fifteen (15) Arizona counties, numerous County Medical Examiners offices and numerous funeral home directors across Arizona. The new hosting system also requires future support of numerous hospitals across Arizona.

2.2 This Contract is for the following services:

2.2.1 Website hosting of the AzVRS website, *azvitals.com*

2.2.2 Hosting of the Real-time verification of a decedent's Social Security Number with the Social Security Administration (SSA) using the National Association for Public Health Statistics and Information Systems (NAPHSIS) and SSA Online Verification System (OVS)

2.2.3 Hosting of the Remote attestation of death certification using the Acordex Remote Attestation System,  
See <http://www.acordex.com/solutions/vital/pdfs/RemoteAttestation.pdf>

**3.0 Purpose/Objective**

3.1 The purpose and objective for this Contract include the following that the Contractor shall perform:

3.1.1 Provide the hardware, software, and network infrastructure to host AzVRS website, *azvitals.com*, Real-time Verification and Remote Attestation in both a primary, backup and offsite disaster recovery system, see Section 26.

3.1.2 Provide twenty four (24) hour per day, seven (7) days per week hosting of those applications.

3.1.3 Provide twenty four (24) hours per day, seven (7) days per week operations.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 3.1.4 Provide Help Desk technical support via phone and email twenty four (24) hours per day, seven (7) days per week.
- 3.1.5 Provide ongoing backup, failover and recovery of the hosted applications.
- 3.1.6 Provide disaster recovery of the hosted applications.
- 3.1.7 Minimize the threat of security breaches while maximizing the security of confidential information contained within the database.
- 3.1.8 Provide a reliable, dependable and adequate level of performance Internet connection to Office of Vital Records hosted applications for the State and its Office of Vital Records partners.
- 3.1.9 Maximize value by minimizing the expense and administrative burden of the State Office of Vital Records.
- 3.2 The use of the words “AzVRS System” refers to the AzVRS website, Real-time Verification and Remote Attestation in total.

#### **4.0 General Services**

- 4.1 The Contractor shall submit a plan for the implementation of the AzVRS System hosting to the State. The Contractor's plan shall comply with the following Arizona Government Information Technology Agency (GITA) Statewide Information Technology Policies and Standards:  
[http://www.azgita.gov/policies\\_standards/pdf/p100%20information%20technology%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p100%20information%20technology%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/p170%20privacy%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p170%20privacy%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/p252%20intellectual%20property%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p252%20intellectual%20property%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/p720%20platform%20architecture%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p720%20platform%20architecture%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P720-S720%20Platform%20Infrastructure%20Std.pdf](http://www.azgita.gov/policies_standards/pdf/P720-S720%20Platform%20Infrastructure%20Std.pdf)
- 4.2 The Contractor shall develop, test, implement, and manage a production website hosting system for AzVRS system.
- 4.3 The Contractor shall provide a primary website hosting system and a backup failover system should the primary system fail or require necessary maintenance.

**SCOPE OF WORK**  
**SOLICITATION #: HP951244**  
**Hosting of AzVRS**

- 4.4 The Contractor shall implement a level of web hosting service consistent with the mission and functionality of the Arizona Vital Statistics Information Management System (AzVRS) website, *azvitals.com*.
- 4.5 The Contractor shall acquire, provide the hosting location and maintain all equipment and licenses require unless otherwise specified by the State. This shall apply to all State owned equipment that is transferred to the contractor for use in hosting the AzVRS System. The Oracle Database and Application Servers shall be at a minimum equivalent to a Sun Microsystems Sun Fire T2000 Server unless a lesser standard is approved by the State.
- 4.6 The Contractor shall provide technical support twenty four (24) hours a day, seven (7) days per week, including access to the servers.
- 4.7 The Contractor shall provide a 98% level of availability during the Core Business Hours (CBH) which, as used throughout this Scope of Work, is defined as Monday through Friday 6:00AM MST to 8:00 PM MST. This level of availability (98%) is defined as no more than seventeen (17) minutes of outage during CBH of any given day. In addition, the Contractor shall provide a 95% level of availability during Non-Core Hours (NCH) which, as used throughout this Scope of Work, is defined as all time that is not CBH. This level of availability (95%) is defined as no more than thirty (30) minutes of outage during NCH of any given day.
- 4.8 The Contractor shall provide a hosting architecture that is scalable to respond to system growth and demand.
- 4.9 The Contractor shall monitor the system to identify the need to perform preventative maintenance and system tuning for maximum performance.
- 4.10 The Contractor shall provide a system that can be configured to balance the transaction load and provide for failover.
- 4.11 The Contractor shall demonstrate to the State's satisfaction an AzVRS System whose primary hosting system is operational no later than October 1, 2009, unless a later date is designated by the State.
- 4.12 The Contractor shall have the AzVRS System fully functional and in parallel operation with the existing AzVRS System no later than October 15, 2009, unless a later date is designated by the State.
- 4.13 The Contractor shall have the AzVRS System fully functional and performing as the production system no later than November 1, 2009, unless a later date is designated by the State.



<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

**5.0 Performance**

- 5.1 The Contractor shall provide an infrastructure that is optimized for the current and future transaction volume of the Vital Records applications. OVR and its partners register approximately forty six thousand (46,000) deaths per year.
- 5.2 The Contractor shall insure a two (2) second application response time during core business hours of OVR and its partners unless otherwise approved by the State.
- 5.3 The Contractor shall provide ongoing transaction level monitoring to determine the performance of the system.

**6.0 Required Software**

- 6.1 The Contractor shall include an Oracle Database 10g Enterprise Edition or better Oracle database server in the software environment. State approval is required if an Oracle Database other than 10g will be deployed.
- 6.2 The Contractor shall include an Oracle Application Server 10g Enterprise Edition or better Oracle application server in the software environment. State approval is required if an Oracle Application Server other than 10g will be deployed.
- 6.3 The Contractor shall include an Oracle Discoverer 10g or better Oracle Discoverer to be used for ad-hoc query, reporting and analysis. State approval is required if an Oracle Discoverer other than 10g will be deployed.

**7.0 Patches and Updates**

- 7.1 The Contractor shall apply all software/hardware patches and updates to the hosting infrastructure on an ongoing basis. The Contractor shall comply with the following GITA Standard:  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S875%20Maintenance.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S875%20Maintenance.pdf)
- 7.2 The Contractor shall notify the State prior to application of any patch or update unless loss of operational functionality of the AzVRS System would result if the patch or update is not applied. In the event of a patch or update being applied without prior notification the contractor shall notify the State as soon as possible not to exceed twelve (12) hours.
- 7.3 The Contractor shall insure that the AzVRS System will be available to the State and its partners during the application of patches and updates.
- 7.4 The Contractor shall only allow authorized personnel to apply any patches or updates.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

**8.0 Real-time Verification Hosting**

- 8.1 The Contractor shall implement a level of web hosting service consistent with the mission and functionality of the Real Time Verification between AzVRS and the Social Security Administration (SSA) [http://www.ssa.gov/employer/ssnvs\\_handbk.htm](http://www.ssa.gov/employer/ssnvs_handbk.htm).
- 8.2 The Contractor shall provide all the hardware and software for the Online Verification System, OVS, for communications between the Arizona Vital Records Death application and the Social Security Administration as a website hosting service.
- 8.3 The Contractor shall provide the equipment for hosting the OVS system for the Social Security Administration.
- 8.4 The Contractor shall configure OVS to communicate between the AzVRS system and the SSA.

**9.0 Remote Attestation**

- 9.1 The Contractor shall provide in their data center a primary and backup Remote Attestation System to support remote attestation of death certificates. The system consists of an Acordex Remote Attestation fax server, Mac OS X Server, Fax modems, redundant array of independent disks (RAID) and a DVD writer and all necessary software. All incoming fax lines shall be toll free phone lines. The Contractor shall provide the necessary and sufficient incoming phone lines to support the system, which currently is estimated at one hundred and fifty (150) faxes per day. The current system consists of six (6) Fax modems. The Contractor shall be responsible for providing sufficient lines as necessary to accommodate the volume of faxes and provide services as indicated in this Scope of Work.
- 9.2 The Contractor shall acquire an Acordex Remote Attestation system to be used with the State owned Acordex Remote Attestation system to provide a primary and backup system. See: <http://www.acordex.com/solutions/vital/pdfs/RemoteAttestation.pdf>. After contract award if technology improvements result in an equivalent remote attestation system that improves remote attestation functionality that system may be used if approved by the State.
- 9.3 The Contractor shall relocate the State owned Acordex Remote Attestation system hardware from the current hosting provider that is currently being used to provide the Remote Attestation functionality. The State owned Acordex Remote Attestation system is currently located in Salt Lake City, Utah. The contractor shall relocate the State owned Acordex Remote Attestation system and have it working in the backup capacity within two (2) weeks after the equipment is made available for pickup.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 9.4 The Contractor shall provide a RAID for incoming faxes with the capacity to store approximately ten million faxes. The Contractor shall provide no more capacity than needed for the storage of incoming faxes unless additional space is approved by the State. The current system consists of a one (1) terabyte RAID.

**10.0 Electrical Power**

- 10.1 The Contractor shall provide a backup power supply to prevent AzVRS System downtime as a result of electrical power loss.
- 10.2 The Contractor shall monitor power levels continuously.
- 10.3 The Contractor shall notify the State immediately if the AzVRS System is on backup power for more than thirty (30) minutes within a twenty four (24) hour period.

**11.0 Network**

- 11.1 The Contractor shall have no less than two (2) connections to the Internet from multiple providers with diversified entry points, allowing for not only redundant internet connections but focused traffic management. The connections must be sufficient and adequate to provide the necessary throughput for the AzVRS System with a Committed Data Rate (CDR) of at least 45 Megabits per second (Mbps) unless a lesser rate is approved by the State. The Contractor's implementation of this section of this SOW shall comply with the following GITA Policies:  
[http://www.azgita.gov/policies\\_standards/pdf/p710%20network%20architecture%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p710%20network%20architecture%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P710-S710%20Network%20Infrastructure%20standard.pdf](http://www.azgita.gov/policies_standards/pdf/P710-S710%20Network%20Infrastructure%20standard.pdf)
- 11.2 The Contractor shall use fiber optic connections for all Internet connections.
- 11.3 The Contractor shall maintain connections to the Internet through two (2) different carriers.
- 11.4 The Contractor shall maintain a connection to the Internet with adequate speed and capacity for the AzVRS System transaction level.
- 11.5 The Contractor shall provide VPN access for authorized access to network for monitoring, maintenance and support of the AzVRS System.
- 11.6 The Contractor shall provide network communications between the application servers and database servers over an internal private network for increased speed and security.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

**12.0 Redundant Array of Independent Disks (RAID)**

- 12.1 The Contractor shall provide a fiber-channel RAID controller for all backing store of the AzVRS System. With a minimum storage space of one (1) terabyte unless a lesser storage space is approved by the State.
- 12.2 The Contractor shall provide a RAID controller with automatic hot-spare failure recovery.
- 12.3 The Contractor shall provide a RAID controller with hot-swappable redundant power supplies and cooling fan modules.
- 12.4 The Contractor shall provide a RAID controller that can be expanded for future growth.

**13.0 Security General**

- 13.1 The Contractor shall provide a comprehensive security system that addresses the procedures for gaining physical and network access to the AzVRS System to the State. The Contractor shall comply with the following GITA IT Security Policies and Standards:  
[http://www.azgita.gov/policies\\_standards/pdf/p800%20securtiy%20policy.pdf](http://www.azgita.gov/policies_standards/pdf/p800%20securtiy%20policy.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S810%20Account%20Mgmt.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S810%20Account%20Mgmt.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/p800-s820%20authentication%20standard.pdf](http://www.azgita.gov/policies_standards/pdf/p800-s820%20authentication%20standard.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S825%20Session%20Controls.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S825%20Session%20Controls.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S830%20Network%20Security.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S830%20Network%20Security.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/p800-s860%20virus%20protection%20standard.pdf](http://www.azgita.gov/policies_standards/pdf/p800-s860%20virus%20protection%20standard.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S885%20Physical%20Security.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S885%20Physical%20Security.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S890%20Personnel%20Sec.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S890%20Personnel%20Sec.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S895%20Security%20Trng.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S895%20Security%20Trng.pdf)
- 13.2 The Contractor shall provide a Security Policy and Monitoring document that outlines all required security procedures and how they will be followed and monitored.
- 13.3 The Contractor shall provide to the State a personnel vetting process for anyone who has access to ADHS sensitive information.
- 13.4 The Contractor shall produce monthly security audit reports and make these reports available in both printed and electronic media as determined by the State.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

13.5 The Contractor shall make their facility available to the State for the purpose of a Security Audit.

**14.0 Security Physical Access**

14.1 The Contractor shall limit access on all access doors to authorized personnel.

14.2 The Contractor shall have sufficient control over access into the data center to ensure only authorized personnel have access.

14.3 The Contractor shall limit access to the AzVRS System to persons authorized by the State.

14.4 The Contractor shall prohibit personal cameras in the facility.

14.5 The Contractor shall ensure cell phones that contain cameras are not used as a camera in the facility.

14.6 The Contractor shall have video surveillance for monitoring access throughout the facility.

14.7 The Contractor shall provide live observation of video surveillance which is monitoring access to the data center.

14.8 The Contractor shall record and archive video surveillance of access to the data center.

14.9 The Contractor shall make available all archived video surveillance to the State upon request.

14.10 The Contractor shall store all backup data and documents associated with the AzVRS System in locked cabinets.

14.11 The Contractor shall provide a key to the AzVRS System storage cabinets to the State upon request.

14.12 The Contractor shall require all personnel authorized to access the Data Center where there is possible access to the AzVRS System to sign a contract that states they will not duplicate ADHS data by any means and provide a signed copy to the State.

14.13 The Contractor shall ensure that all visitors to the Data Center where there is a possible access to the AzVRS System are accompanied by an authorized employee.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 14.14 The Contractor shall ensure that all employees, contractors or agents wear a visible contractor issued photo id.
- 14.15 The Contractor shall use security personnel to restrict access to the Data Center whenever the automated electronic access system fails.
- 14.16 The Contractor shall ensure that all entries into the data center are logged and the logs will be archived.
- 14.17 The Contractor shall provide the above logs to the State upon request.

**15.0 Authorized Personnel**

- 15.1 The Contractor shall prohibit any personnel access to ADHS sensitive information without prior authorization from the State.
- 15.2 The State will retain the right to revoke prior authorization at anytime without cause.
- 15.3 The Contractor shall vet all employees, contractors and agents with access to sensitive information and provide the results to the State upon request.
- 15.4 The Contractor shall have all personnel with access to the AzVRS System sign an ADHS confidentiality agreement and provide the original signed agreement to the State, see Exhibit 1A and Exhibit 1B.

**16.0 Connectivity Security**

- 16.1 The Contractor shall encrypt all HTTP connections with at least 128-bit SSL / HTTPS.
- 16.2 The Contractor shall encrypt any external access to the AzVRS System by either SSL (web access) or VPN (network access).
- 16.3 The Contractor shall protect all application traffic with a secure certificate issued by a certificate authority.
- 16.4 Connections between servers inside the firewall of the Data Center are not required to be encrypted.
- 16.5 The Contractor shall insure that the database server is not accessible outside the firewall.
- 16.6 The Contractor shall insure that all external Internet HTTPS traffic to the system goes through the application servers.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

**17.0 Data Security**

- 17.1 The Contractor shall configure the system to maintain the integrity of ADHS data.
- 17.2 The Contractor shall insure that under no circumstances will the State's vital records data be available or accessible to other hosted clients.
- 17.3 The Contractor shall insure that non-essential network ports are closed.

**18.0 Backups Data Files**

- 18.1 The Contractor shall provide a system to ensure the backup of data files. The Contractor shall comply with the following GITA Policies and Standards:  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S870%20Backups.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S870%20Backups.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S850%20Encryption%20Technologies.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S850%20Encryption%20Technologies.pdf)  
[http://www.azgita.gov/policies\\_standards/pdf/P800-S880%20Media%20San+Disp.pdf](http://www.azgita.gov/policies_standards/pdf/P800-S880%20Media%20San+Disp.pdf)
- 18.2 The Contractor shall provide an online backup of data files to allow data file recovery.
- 18.3 The Contractor shall provide an on-site permanent media backup of data files.
- 18.4 The Contractor shall provide an off-site permanent media backup of data files.
- 18.5 The Contractor shall encrypt all backup data files to protect them from unauthorized access during transportation or storage.
- 18.6 The Contractor shall provide a copy of all encryption keys to the State upon request.
- 18.7 The Contractor shall store all off-site backup data in a locked cabinet in a physically secured room.
- 18.8 The Contractor shall provide the State with a key to the off-site backup data cabinet upon request.
- 18.9 The Contractor shall maintain a storage environment at the off-site backup data location which is conditioned and conducive to preserving of storage media.
- 18.10 The Contractor shall provide access to the off-site backup data storage location to the State.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 18.11 The backup processes shall be monitored by the Contractor to insure that the backup processes put in place are operating correctly and are useable for recovery should it become necessary.
- 18.12 The Contractor shall document the backup process and provide the State with the documentation.
- 18.13 The Contractor shall include in the backup an export of the AzVRS system on a schedule specified by the State.
- 18.14 The Contractor shall send a copy of the above export via a secure method to a location specified by the State.
- 18.15 The establishment of a location to receive this backup file is the responsibility of the ADHS.

**19.0 Backups Fax Files**

- 19.1 The Contractor shall document the backup process of the Fax files and provide the State with the documentation.
- 19.2 The Contractor shall each day back up the fax system onto DVD media or other permanent media as specified by the State.
- 19.3 The Contractor shall have a Fax backup process that shall include at least two (2) DVDs, or other permanent media as specified by the State, copies of all Fax backups. One copy will be kept on-site. The other copy will be kept off-site for disaster recovery. These backups are to provide a permanent storage for all Fax documents.
- 19.4 The Contractor shall keep a permanent log of all imported faxes with no practical upper limit.

**20.0 Audit trails**

- 20.1 The Contractor shall insure that all changes to the database will be automatically logged in an audit file and made available to the State or any agent designated by the State upon request.
- 20.2 The Contractor shall insure that the date/time for all access to the system will be recorded in an audit file and made available to the State or any agent designated by the State upon request.



<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 20.3 The Contractor shall insure that all primary activities within the system (such as: edits or viewing records) will be logged to an audit file and made available to the State or any agent designated by the State upon request.
- 20.4 The Contractor shall insure that the user ID/ IP Address access time and date are logged to an audit file and made available to the State or any agent designated by the State upon request.
- 20.5 The Contractor shall archive all Oracle database log to permanent media.
- 20.6 The Contractor shall archive all audit files to permanent media and make the permanent media available to the State or any agent designated by the State upon request.

**21.0 Inception**

- 21.1 The Contractor shall transition the currently hosted systems to the new hosting environment.
- 21.2 The Contractor shall transition the currently hosted domain registration for AzVRS to the new hosting environment.
- 21.3 The Contractor shall provide access to the hosting system to the State or any contractor designated by the State for the installation and configuration of the hosted Web site. The access provided will include but will not be limited to physical and VPN access to the hosting environment.
- 21.4 The Contractor shall provide parallel operation of the new hosting system with the current hosting system for a period of four calendar weeks unless another time is approved by the State.
- 21.5 The Contractor shall ensure the least possible interruption of service of the hosted web site azvital.com during the cut-over from the current hosting system to the new hosting system. In no event shall the interruption exceed one (1) hour during CBH. It is the State's preference that the cut-over occur during NCH. If the cut-over occurs during NCH in no event shall the interruption exceed four (4) hours.

**22.0 Failover**

- 22.1 The Contractor shall document a failover process and provide the State with the documentation.

<p style="text-align: center;"><b>SCOPE OF WORK</b> <b>SOLICITATION #: HP951244</b> <b>Hosting of AzVRS</b></p>
---

- 22.2 The Contractor shall provide a failover process that ensures a system outage of less than fifteen (15) minutes during CBH and less than one (1) hour during NCH unless another time is approved by the State.
- 22.3 In the event of a database server hardware or software failure the Contractor shall perform an initial recovery attempt at the primary site.
- 22.4 The Contractor shall in the event that the system will be down for longer than the time required to make the switchover, a full database recovery using Oracle archive logs will be performed onto a server at the backup system location.
- 22.5 The Contractor shall maintain an archive log interval where the maximum amount of work that may be lost during complete system destruction would be the last thirty (30) minutes of data entry, with the average possible work lost being fifteen (15) minutes of data entry.
- 22.6 The Contractor shall in the event of a web server or other supporting hardware failure, the recovery will utilize temporary equipment at the primary hosting location until the main server or equipment can be repaired.
- 22.7 The Contractor shall after a failover of the remote attestation system repair the primary system and transferred functionality back to the primary system.

**23.0 Domain Name**

- 23.1 The AzVRS system will utilize a domain to be specified by the ADHS.
- 23.2 The Contractor shall provide a separate domain name for the AzVRS backup system.
- 23.3 The Contractor shall in the event that operation is switched to the backup system, re-direct the primary domain name to point to the backup system.
- 23.4 The Contractor shall facilitate testing of the domain name switch operation to the backup system.

**24.0 Disaster Recovery**

- 24.1 The Contractor shall provide for and is responsible for full disaster recovery of the AzVRS System.
- 24.2 The Contractor shall acquire, provide the hosting location and maintain all equipment and licenses required to provide a remote disaster recovery site. The site can not exist in the same physical location of the primary AzVRS System. It is the State's desire that the

# SCOPE OF WORK

## SOLICITATION #: HP951244

### Hosting of AzVRS

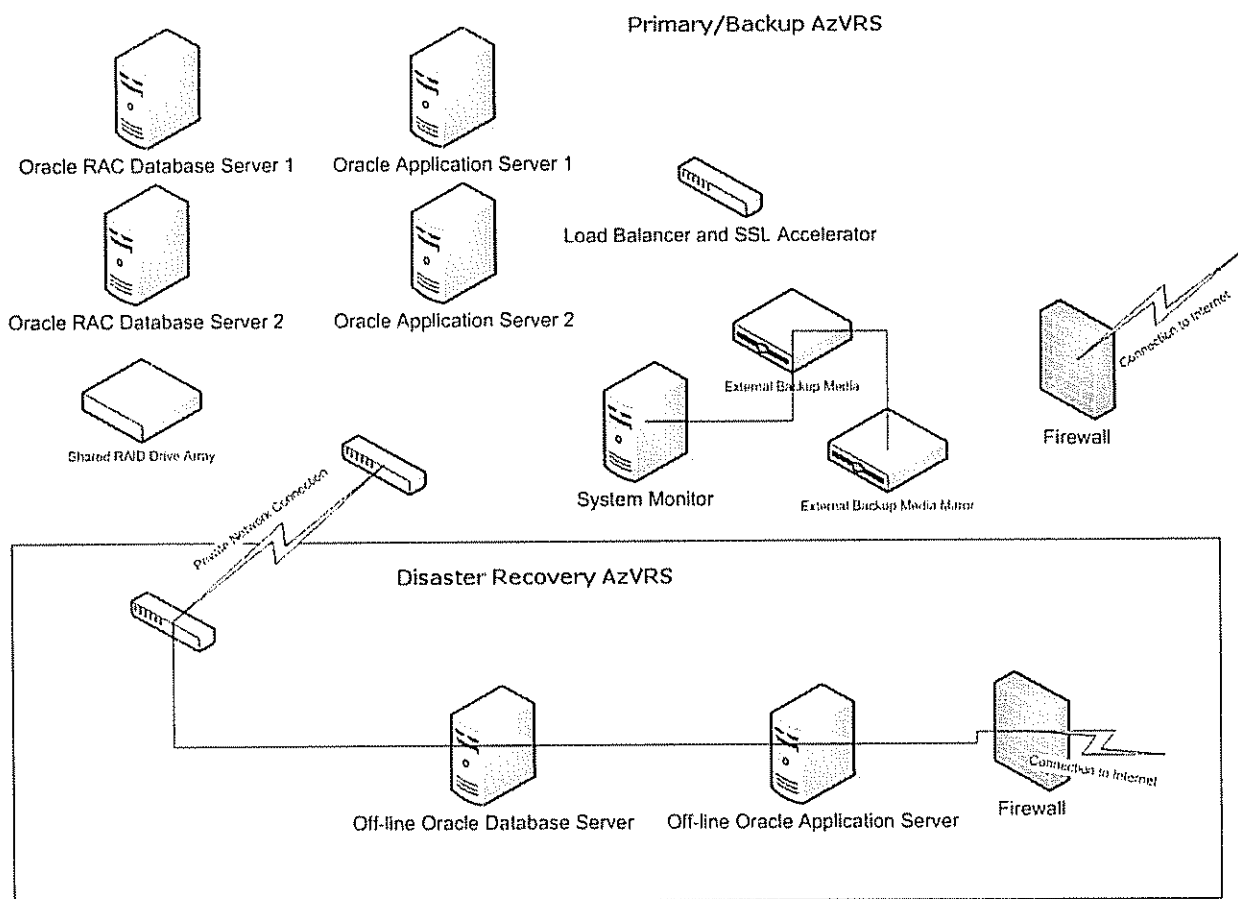
disaster recovery site be located such that a natural disaster that occurs at the primary AzVRS System site would not affect the disaster recovery site.

#### 25.0 Equipment Provided by the State

- 25.1 One Acordex Remote Attestation System, see <http://www.acordex.com/solutions/vital/pdfs/RemoteAttestation.pdf>

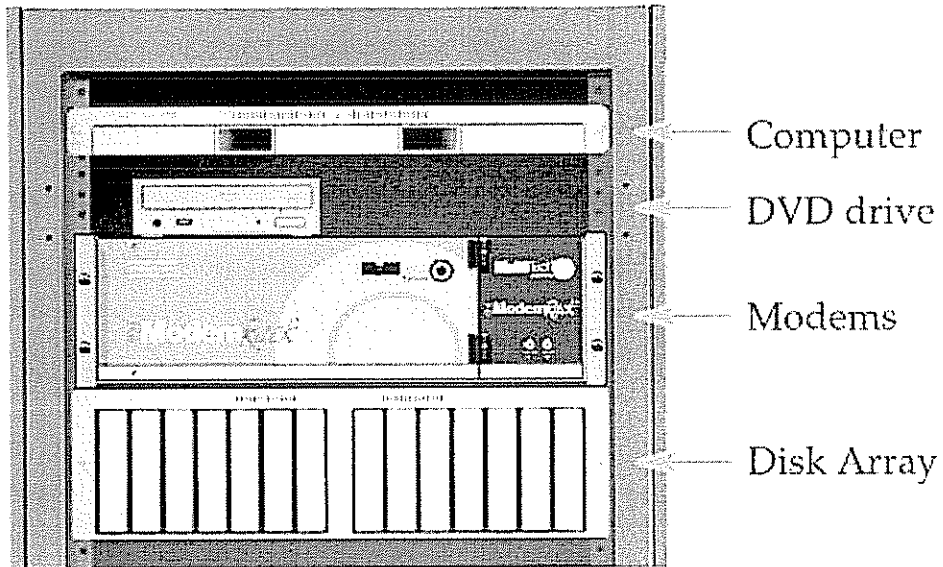
#### 26.0 Existing System Overview

- 26.1 Representative AzVRS Diagram of the azvitals.com



**SCOPE OF WORK**  
**SOLICITATION #: HP951244**  
**Hosting of AzVRS**

26.2 Representative Remote Attestation System Diagram





**OFFER AND ACCEPTANCE**  
**SOLICITATION NO: HP951244**  
**ATTACHMENT A**

**ARIZONA ADHS**  
**OF HEALTH SERVICES**  
1740 West Adams Street  
Phoenix, Arizona 85007  
(602) 542-1040  
(602) 542-1741 Fax

Submit this form with an original signature to the:

Arizona DEPARTMENT of Health Services  
Office of Procurement  
1740 West Adams, Room 303  
Phoenix, Arizona 85007

The Undersigned hereby Offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the solicitation.

In accordance with A.R.S. 35-393.06, the Offeror hereby certifies that the Offeror does not have scrutinized business operations in Iran.

In accordance with A.R.S. 35-391.06, the Offeror hereby certifies that the Offeror does not have any scrutinized business operations in Sudan.

Arizona Transaction (Sales) Privilege Tax License No:

For Clarification of this Offer, Contact:

Federal Employer Identification No:

Name: \_\_\_\_\_

Telephone: \_\_\_\_\_

FAX: \_\_\_\_\_

Company Name

Signature of Person Authorized to Sign Offer

Address

Printed Name

City, State, ZIP Code

Title

**OFFER ACCEPTANCE AND CONTRACT AWARD** (For State of Arizona Use Only)

Your Offer is hereby accepted as described in the Notice of Award. The Contractor is now bound to perform based upon the Solicitation and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract Number: **HP951244**

The Contractor is hereby cautioned not to commence any billable work or provide any material, service or construction under this contract until the Contractor receives an executed purchase order or contract release document or written notice to proceed, if applicable.

State of Arizona

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2009

\_\_\_\_\_  
CHIEF PROCUREMENT OFFICER

## PRICE SHEET - (ATTACHMENT B)

The Contractor will be paid in accordance with the following and shall include all necessary work and equipment for the Contractor to perform the Scope of Work (SOW):

1. Satisfy the requirement of the SOW, section 4.13. (have the AzVRS system performing as the production system no later than November 1, 2009) \$ \_\_\_\_\_
2. Complete the SOW, section 9.3. (Relocate the State owned Acordex Remote Attestation system hardware from the current hosting vendor location to the Contractor's location.) \$ \_\_\_\_\_
3. Price per month, for the time period indicated, to host and maintain the AzVRS System during each calendar year in accordance with the Scope of Work. The Offeror is reminded that for years two (2) through five (5) the amounts are "not to exceed," and any price increases will be considered in accordance with the Special Terms and Conditions, "Price Adjustment" section.

	Starting November 1, 2009 through December 31, 2010 *	Year two (2), starting January, 2011	Year three (3), starting January, 2012	Year four (4), starting January, 2013	Year five (5), starting January, 2014
Price per month	\$	\$	\$	\$	\$
Times 12 months; extended price total					

\*The first period is a fourteen month term.

#### 4. Task Assignment

Hourly rate prices that may be applicable to the provision of any customization work, pursuant to the Contract "Special Terms and Conditions," section "Task Assignment."

- 6.1 Technician \$ \_\_\_\_\_ per hour
- 6.2 Network Engineer \$ \_\_\_\_\_ per hour
- 6.3 Data Base Administrators (DBA)
  - 6.3.1 Oracle Junior DBA \$ \_\_\_\_\_ per hour
  - 6.3.2 Oracle Senior DBA \$ \_\_\_\_\_ per hour
- 6.4 Project Manager \$ \_\_\_\_\_ per hour
- 6.5 Other \_\_\_\_\_ \$ \_\_\_\_\_ per hour

(Specify)

## **PRICE SHEET - (ATTACHMENT B)**

### **5. Connectivity Rates**

The following prices apply if ADHS authorizes the Contractor to an increase above the standard specified by the Scope of Work.

7.1 Increase of Committed Data Rate (CDR) of one (1) Megabit per second (Mbps)

\$\_\_\_\_\_ per month

7.2 Increase of Committed Data Rate (CDR) of five (5) Megabit per second (Mbps)

\$\_\_\_\_\_ per month

7.3 Increase of Committed Data Rate (CDR) of ten (10) Megabit per second (Mbps)

\$\_\_\_\_\_ per month

### **6. RAID Storage Space**

The following price applies for each terabyte of RAID storage needed to perform the Scope of Work as approved by the State.

8.1 Per one (1) terabyte of RAID Storage \$\_\_\_\_\_ per month

### **7. Replacement price for State owned Acordex Remote Attestation system (equipment)**

The State will transfer to the Contractor the State owned Accordex Remote Attestation system (equipment) and the Contractor shall keep an inventory of all equipment. The State maintains an ownership interest in the transferred equipment and the Contractor shall not convey, or dispose of the equipment without expressed written permission from the State. The Contractor shall, as directed by the State, make the equipment available for return to the State or transfer to the State's agent. The Contractor is responsible to obtain and pay for extended warranty, maintenance and repair of State transferred equipment; and, to replace State transferred equipment that has been damaged due to the Contractor's negligence or failure to properly maintain the State transferred equipment. The State will be responsible for paying no greater than the price specified below for the replacement of the State transferred equipment due to equipment failure and when the warranty or maintenance agreement obtained, maintained and paid for by the Contractor does not provide for equipment replacement. The Contractor shall be responsible for replacement, warranty, maintenance, and repair of all Contractor provided equipment.

\$\_\_\_\_\_ replacement price.

**EXHIBIT 1A**  
**ARIZONA DEPARTMENT OF HEALTH SERVICES**  
**USER AFFIRMATION STATEMENT**

I have been made aware and understand that all personnel who have access to the Arizona Department of Health Services (DHS) data are bound by applicable laws, rules and DHS directives and are responsible for DHS data.

I agree to abide by all applicable laws, rules and DHS directives, and I pledge to refrain from any and all of the following:

1. Revealing DHS data to any person or persons outside or within DHS who have not been specifically authorized to receive such data.
2. Attempting or achieving access to DHS data not germane to my mandated job duties.
3. Entering/altering/erasing DHS data for direct or indirect personal gain or advantage.
4. Entering/altering/erasing DHS data maliciously or in retribution for real or imagined abuse, or for personal amusement.
5. Using DHS workstations, printers, and/or other equipment for other than work related purposes.
6. Using another person(s) personal logon ID and password.
7. Revealing my personal logon ID and password to another person.
8. Asking another person to reveal his/her personal DHS logon ID and password.

**In relation to my responsibilities regarding the proprietary rights of the authors of computer software utilized by DHS, I recognize that:**

1. DHS licenses the use of computer software from a variety of outside companies. DHS does not own this software or its related documentation and, unless authorized by the software developer, does not have the right to reproduce it.
2. When used on a local area network or on multiple machines, employees/contractors shall use the software in accordance with the license agreement.
3. Employees/contractors who know of any misuse of software or related documentation within the agency shall notify their manager/supervisor, or the department security administrator.
4. Employees/contractors making, acquiring or using unauthorized copies of computer software, or using personal non-DHS software are subject to punitive action in accordance with agency guidelines as appropriate to the circumstances.
5. According to U. S. Copyright Law, 17 USC Sections 101 and 506, illegal reproduction of software can be subject to criminal damages up to \$250,000 and/or up to 5 years imprisonment.
6. In the event that an employee is sued or prosecuted for the illegal reproduction of software, he/she will not be represented by the Department of the Attorney General.

Appropriate action will be taken to ensure that applicable federal and state laws, regulations, and directives governing confidentiality and security are enforced. A breach of procedures occurring pursuant to this policy or misuse of department property including computer programs, equipment, and/or data, may result in disciplinary action including dismissal, and/or prosecution in accordance with any applicable provision of law including Arizona Revised Statutes, Section 13-2316.

My signature below confirms that I have read this form and accept responsibility for adhering to all applicable laws, rules, and DHS directives. Failure to sign this statement will mean that I will be denied access to DHS data, computer equipment, and software.

NAME (Last, First, M.I.) PRINT OR TYPE	SIGNATURE	PHONE	DATE
NAME OF SUPERVISOR (Last, First, M.I.)	SIGNATURE	PHONE	DATE

Routing: Original to Security Administrator; Copy 1-Originator

Rev 9/28/2007



**ARIZONA DEPARTMENT OF HEALTH SERVICES  
Confidentiality Agreement Form**

**PLEDGE TO PROTECT CONFIDENTIALITY INFORMATION**

I, \_\_\_\_\_, understand and agree to abide by the following statements addressing  
(Please Print Name)

the creation, use and disclosure of confidential information, including information designated as protected health information ("PHI"), and all other sensitive information:

1. I understand that as a user of information at the Arizona Department of Health Services, I may develop, use, or maintain information relating to public health and welfare, direct or indirect health care, quality improvement, peer review, audit functions, education, billing, reimbursement, administration, research or other approved purposes. This information, from any source and in any form, including, but not limited to paper records, oral communications, audio recordings and electronic display, is considered confidential. Access to confidential information is permitted only on a need-to-know basis and limited to the minimum amount of confidential information necessary to accomplish the intended purpose of the use, disclosure or request.
2. I understand that it is the policy of the Arizona Department of Health Services that users (i.e. employees, medical staff, students, volunteers, contractors, vendors and others who may function in an affiliated capacity) shall respect and preserve the privacy, confidentiality, and security of confidential information.
3. I understand that persons who have access to information that contains confidential information are ethically and legally responsible for observing the federal and state statutes and rules governing confidential records. I will not alter, misuse, disclose without proper authority or the individual's authorization any confidential information.
4. I understand that confidential information may include oral communications, paper or electronic documents, databases, audio/visual tapes, and other items identified as "confidential" or "sensitive" information.
5. I understand that Arizona State Law prohibits me from using confidential information for personal gain.
6. I understand that confidential information in my control must be maintained and protected from inappropriate disclosure at all times (i.e. hard copy information when not in use will not be accessible to others, including stored or locked or other secure compartments, computer files must be password protected and closed, working documents turned face down on desk, electronic transmission of information will be encrypted according to Department policy, etc )

**ARIZONA DEPARTMENT OF HEALTH SERVICES**  
**Confidentiality Agreement Form**

7. I understand that it is the user's responsibility to protect highly sensitive Department information. As such, I am required to use good judgment in assessing what form of communication is appropriate for particular information. If I have any questions or concerns, I am to consult Department policies, my supervisor or the applicable Assistant Director for guidance.
8. I understand that confidential information may only be accessed when I am specifically authorized to do so by the appropriate program manager and I will use only the amount of information necessary within the scope of my duties. When confidential information is no longer needed, I will dispose of it in an appropriate manner to prevent inappropriate access to that information.
9. I understand that confidential information, including paper and electronic records, correspondence, documents and other forms of such information, cannot be released to or discussed with anyone other than authorized individuals. I will also violate this provision if I intentionally or negligently mishandle or destroy confidential information.
10. I understand that I am not to contact the individual(s) or other related persons to whom confidential information pertains unless I am specifically authorized to do so by law and the appropriate program manager.
11. I understand that it is a violation of Department and State of Arizona policy for me to share my sign-on code and/or password for accessing electronic confidential information or for physical access to restricted areas. I further understand that I will not use another person's sign-on code and/or password or otherwise attempt to access electronic confidential information or to gain physical access to a restricted area that is not within the scope of my work or permitted by my supervisor.
12. I understand that it is my responsibility to know and abide by any additional confidentiality provisions required by my job that may be issued by the Department, Division, Bureau, program or other work unit to which I report. If I have questions about which confidentiality rules apply to my job, I understand that it is my responsibility to ask my supervisor prior to releasing any information, even if the information request is in the form of a subpoena or other legal document.
13. I understand that it is my responsibility to report any observed or suspected breach of confidentiality by any other Department employee to my supervisor.
14. I understand that if it is determined that I have violated the Pledge or any other confidentiality requirement, I may be subject to formal disciplinary action up to and including termination of employment, loss of privileges, contractual or other rights which may be granted as a result of an affiliation in accordance with Department and/or State of Arizona procedures. Unauthorized use or release of confidential information may also subject me to personal, civil, and/or criminal liability and legal penalties.

Service Designation:

☐ Employee ☐ Contractor ☐ Volunteer ☐ Student ☐ Other

User Signature: \_\_\_\_\_ Title: \_\_\_\_\_ Date: \_\_\_\_\_

Version 3, 06/09/05